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THEPEPBOYSMANNY,MOE&JACK OFCALIFORNIAandTHEPEPBOYS MANNY,MOE&JACK	:	CIVILACTION
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Plaintiffs,	:	
	:	
v.	:	
	:	
	:	
THEGOODYEARTIRE&RUBBER COMPANY,	:	
	:	
	:	
Defendants.	:	NO.01-CV-5614

Reed,S.J.

April5,2002

MEMORANDUM

ThisactionarisesoutoftheintroductionbydefendanttheGoodyearTire&Rubber Company(“Goodyear”)ofanewlineofautomotivetireunderthetrademark“Fortera.” PlaintiffsthePepBoysMannyMoe&JackofCaliforniaandthePepBoys–Manny,Moe& Jack(collectively,“PepBoys”)allegehatthismarkinfringesupontheirregisteredtrademark “Futura”underwhichbrandtheysellprivatelabeltires.Plaintiffshavebroughtsuitagainst defendantpursuanttotheTrademarkActof1946,asamended,15U.S.C.§1051 et seq.(the “LanhamAct”),andPennsylvaniastatutoryandcommonlaw.PepBoysseekapreliminary injunctionpursuanttoFederalRuleofCivilProcedure65enjoiningdefendantfromusingthe trademark“Fortera.”Forthereasonssetforthbelow,themotionforpreliminaryinjunctionwill bedenied.

Background¹

Pep Boys own and operate each chain of retail automotive aftermarket stores throughout the country; the stores provide vehicle repair and maintenance services as well as vehicle “replacement” tires, parts and accessories for retail sale. In 1964, Pep Boys began selling private label tires under the registered trademark “Cornell Futura.” In 1990, Pep Boys registered the trademark Futura as one of its private label brand tires; plaintiffs also sell a separate brand of tires under the Cornell mark. Pep Boys do not manufacture the tires themselves, but contract out the manufacturing on a periodic basis. Today there are sixteen lines of tires, covering over eighty sizes, within the Futura brand. Although four of the Futura lines of tires may be used in sport utility vehicles (“SUVs”) and light trucks, only three are intended for daily highway use: the Dakota, the Scrambler, and the Adventurer.

Goodyear is one of the world’s leading manufacturers of tires and rubber products. Defendant manufactures, sells, markets and distributes consumer, commercial, farm and other tires for replacement and original equipment use under the “Goodyear” brand, as well as replacement tires under the “Dunlop” and “Kelly” brands. In 1999, Goodyear began planning the development and marketing of a new line of high-end SUV and crossover vehicle tire under its Goodyear brand; in October 2001, Goodyear introduced this new line under the name “Fortera.” The instant action ensued.

Plaintiffs allege the following violations by Goodyear: (i) trademark infringement under 15 U.S.C. § 1114(1) and common law; (ii) false representation and designation of origin, unfair methods of competition and unfair or deceptive trade practices under 15 U.S.C. § 1125(a), 73

¹The following facts are not in dispute or are stipulated by the parties.

P.S. §201-3 and common law; and (iii) dilution of plaintiff's mark and injury to plaintiffs' business and/or reputation under 15 U.S.C. §1125(c)(1) and 54 Pa.C.S.A. §1124 and common law. Jurisdiction in this Court is proper pursuant to 28 U.S.C. §§1331, 1338, and 1367. In anticipation of a jury trial, plaintiffs seek a preliminary injunction enjoining defendant from using any colorable imitation of the Futura mark, including but not limited to Fortera. A preliminary injunction hearing was held on February 21, 22 and March 20, 2002.

Standard for Preliminary Injunction

The following four considerations must be taken into account in assessing whether a preliminary injunction should be granted:

- (1) whether the movant has shown a reasonable probability of success on the merits;
- (2) whether the movant will be irreparably harmed by denial of the relief;
- (3) whether granting preliminary relief will result in even greater harm to the nonmoving party; and
- (4) whether granting the preliminary relief will be in the public interest.

ACLU v. Reno, 217 F.3d 162, 172 (3d Cir. 2000) (quoting Allegheny Energy, Inc. v. DQE, Inc., 171 F.3d 153, 158 (3d Cir. 1999)). Issuing a preliminary injunction is an “‘extraordinary remedy’ and should be restricted to ‘limited circumstances.’” Moscony v. Quaker Farms, LP, No. Civ. A.00-2285, 2000 WL 1801853, at *1 (E.D. Pa. Dec. 8, 2000) (quoting Instant Air Freight Co. v. C.F. Air Freight, Inc., 882 F.2d 797, 800 (3d Cir. 1989)). A district court should endeavor to balance these four factors to determine whether an injunction should issue. See BP Chemical Ltd. v. Formosa Chemical & Fibre Corp., 229 F.3d 254, 263 (3d Cir. 2000). All four factors must weigh in favor of granting the preliminary injunction. See Pappan Enter., Inc. v. Hardee's Food Sys., Inc., 143 F.3d 800, 803 (3d Cir. 1998). The moving party clearly bears the burden in proving that all elements required for a preliminary injunction are met. See Adams v.

Freedom Forge Corp., 204 F.3d 475, 486 (3d Cir. 2000).

Trademark Infringement and Unfair Competition

Federal trademark infringement, 15 U.S.C. § 1114,² and federal unfair competition, 15 U.S.C. § 1125(a)(1)(A),³ are measured by identical standards. See A&H Sportswear, Inc. v. Victoria's Secret Stores, Inc., 237 F.3d 198, 210 (3d Cir. 2000). To prove either form of the Lanham Act violation, a plaintiff must demonstrate that (1) it has a valid and legally protectable mark; (2) it owns the mark; and (3) the defendant's use of the mark to identify goods or services causes a likelihood of confusion. See id.

Ownership of a valid and legally protectable mark is proven where the mark is federally registered and has become "incontestable" under the Lanham Act. See Fisons Horticulture, Inc.

²Section 1114 states, in relevant part:

(1) Any person who shall, without the consent of the registrant—(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or (b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive, shall be liable in a civil action by the registrant for the remedies hereinafter provided.

15 U.S.C. § 1114

³Section 1125(a) provides, in relevant part:

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125(a).

v. Vigoro Industries, Inc., 30 F.3d 466, 472 (3d Cir. 1994); 15 U.S.C. §§ 1058 and 1065. A

trademark is incontestible after the owner declares in an affidavit to the Commissioner of Patents that the mark has been registered, has been in continuous use for five consecutive years and that there has been no adverse decision concerning the registrant's ownership or right to registration.

Fisons, 30 F.3d at 472 n. 7; 15 U.S.C. § 1065(3). There is no dispute over whether Pep Boys

owns Futura and whether Futura is a valid and legally protectable mark. The issue therefore is whether a likelihood of confusion will result from Goodyear's use of its Forter mark.

“To prove likelihood of confusion, plaintiffs must show that ‘consumers viewing the mark would probably assume the product or service it represents is associated with the source of a different product or service identified by a similar mark.’”

Checkpoint Sys., Inc. v. CheckPoint

Software Techs., Inc., 269 F.3d 270, 280 (3d Cir. 2001) (quoting Scott Paper Co. v. Scott's

Liquid Gold, Inc., 589 F.2d 1225, 1229 (3d Cir. 1978)). In Interpace Corp. v. Lapp, Inc., 721

F.2d 460, 462 (3d Cir. 1983), the Third Circuit Court of Appeals devised a non-exhaustive list of

ten factors, commonly known as the “Lapp” factors, to consider in determining whether there is a

likelihood of confusion between marks. These factors are used to test for likelihood of confusion

for goods that directly compete with each other, as well as for non-competing goods. A&H, 237

F.3d at 215. The Lapp test is a qualitative inquiry; the factors are not to be mechanically tallied,

but are to be applied and accorded different weights according to the particular circumstances.

Id. at 215-16.

The Lapp factors are as follows: (1) the degree of similarity between the owner's mark and the alleged infringing mark; (2) the strength of the owner's mark; (3) the price of the goods and other factors indicative of the care and attention expected of consumers when making a

purchase;(4)thelengthoftimethedefendant hasusedthemarkwithoutevidenceofactual confusionarising;(5)theintentofthedefendantinadoptingthemark;(6)theevidenceofactual confusion;(7)whetherthegoods,competingornotcompeting,aremarketedthroughthesame channelsoftradeandadvertisedthroughthesamemedia;(8)theextenttowhichthetargetsof theparties'saleeffortsarethesame;(9)therelationshipofthegoodsinthemindsofconsumers, whetherbecauseofthenear-identityoftheproducts,thesimilarityoffunction,orotherfactors; and(10)otherfactssuggestingthattheconsumingpublicmightexpectthepriorownto manufacturebothproducts,orexpectthepriorowntomanufactureaproductinthedefendant's market,orexpectthatthepriorownerislikelytoexpandintothedefendant'smarket. Id.at215.

Aplaintiffmaybringclaimsfor directconfusion,whereina“junioruserofamarkissaid tofree-rideonthe‘reputationandgoodwillofthesenioruserbyadoptingasimilaroridentical mark,”and reverseconfusion,whereina“juniorusersaturatesthemarketwithasimilar trademarkandoverwhelmsthesenioruser.” A&H,237F.3dat227-28(citing Fisons,30F.3dat 475).Reverseconfusionclaimsprotectsmallercompaniesfromlosingtheirtrademarksto competitorswithestablishedtradenamesandgenerousadvertisingbudgets;itprotectsthevalue ofthesenioruser’s trademark–“itsproductidentity,corporateidentity,controloveritsgoodwill andreputation,andabilitytomoveintonewmarkets.” Id.(quoting Ameritech,Inc.v.American Info.Techs.Corp.,811F.2d960,964(6thCir.1987)).AlthoughtheLapptestmaybeusedfor bothdirectandreverseconfusionclaims,thefactorsmightbeapplieddifferentlydependingon thecircumstances. Id.at229.Basedupontheevidentiaryrecordpresentlybeforeme,the followingnarrativeconstitutesmyfindingsoffactpursuanttoFederalRuleofCivilProcedure 52(a).

1. Similarity of the Marks

The “degree of similarity of the marks may be the most important of the ten factors” in the Lapptest. Fisons, 30 F.3d at 476. The test for similarity is “whether the labels create the ‘same overall impression’ when viewed separately.” Id. at 477 (quoting Banff, Ltd. v. Federated Dep’t Stores, Inc., 841 F.2d 486, 492 (2d Cir. 1988)). “Side-by-side comparison of the two marks is not the proper method for analysis when the products are not usually sold in such a fashion. Instead, an effort must be made to move into the mind of the roving consumer.” A&H, 237 F.3d at 216 (citing 3 J. MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 23:59, at 23-162 (4th ed. 2000)) (“The law does not require that the reasonably prudent purchaser keep a handy file of photographs and labels which he or she must pull out to compare with the label of every product purchased.”)). Nevertheless, the general rule to look at the overall impression “does not undermine the common-sense precept that the more forceful and distinctive aspects of a mark should be given more weight, and the other aspects less weight.” Id.

Courts must “compare the appearance, sound and meaning of the marks.” Checkpoint, 269 F.3d at 281. Generally, comparison of sound entails looking at the phonetic effect of the trademarked word or words. See, e.g., A&H, 237 F.3d at 217 (approving district court comparison of number and similarity of syllables and number of words in mark). Comparing the Futura and Forter marks, both have three syllables; the first syllable begins with the letter “f,” the second begins with “t,” and the third syllable is “ra.” If there is some similarity between the sound of the marks.

Comparison of sight assesses the visual impact in the presentation of the marks. See id. (approving district court comparison of use of capital or lowercase letters and observation of

accompanying slogan and disclaimer); see also Kraft Gen. Foods v. BC-USA, 840 F. Supp. 344, 350 (E.D. Pa. 1993) (assessing color scheme and design of trademarked cream cheese packaging); Int'l Data Group, Inc. v. Ziff Davis Media, Inc., 145 F. Supp. 2d 422, 435 (D. Del. 2001) (comparing accompanying graphics, logo, font, style, colors, size, and method of presentation). Comparing the sight of the two marks here, I find that both marks are presented in block capital letters in white outline on the sidewall area of the tire themselves, although the font or style of the lettering used on each tire is different from each other. (DX 14 and 78.) In addition, the Futura mark on the tire is always accompanied by the name of the line of the tire (e.g., Adventurer), while the Fortera tire always presents the distinctively stylistic Goodyear name and Mercury flying foot logo in radial fashion on the sidewall opposite the Fortera name. (Joint Exh. 1 at ¶ 8.) Within the print advertisements of the products, ads for the Futura tire generally include both the name of the specific line of tire within the Futura brand and the Pep Boys name or the man icon. (Joint Exh. 1 at ¶¶ 10, 15.) The few print advertisements for the Fortera tire issued to date not only prominently feature the distinctively stylistic Goodyear name and Mercury flying foot logo, but in fact are designed so that the size of the lettering of the word Fortera is much smaller and somewhat more difficult to read than the word Goodyear. (DX 16 and 18.) Thus, while there is some similarity, viewing the product overall, the visual presentation of the words Futura and Fortera are generally distinct for the reasons noted above.

Comparison of meaning inquires into the impression given by the definition of the marks. See A&H, 237 F.3d at 217 (approving district court conclusion that “The Miracle Bra” shifted focus to brasserie portion of bathingsuit compared to “Miracle suit”); BC-USA, 840 F. Supp. at 350 (“Philadelphia” and “Pennsylvania” both geographic names, and Philadelphia is city within

Pennsylvania); Int'l Data, 145 F.Supp.2d at 435 (“Insider” and “Insight” similar as both convey impression of containing important information). Comparing the meaning of the marks, I find that the name Fortera conjures an image of strength (a fort) but is otherwise an arbitrary name with no particular meaning. In contrast, Futura connotes the idea of a tire that, while manifest in the present, invokes satire for the future. I take judicial notice, for the limited purpose of assessing the impression of the presentation of the marks, that the advertisers and the public believe that the designers and manufacturers of products dubbed “futuristic” are smart and forward-thinking and that the products are somehow better than average. I therefore find that the marks do not convey similar images or meanings.

I ultimately find that the marks, while similar in some respects, do not create the “same overall impression” when viewed separately in their respective contexts. In particular, the distinctively stylistic Goodyear name and Mercury flying foot logo featured prominently on both the tire and in the print ads are the “more forceful and distinctive aspects” in the presentation of the Fortera mark. Accordingly, I find that the marks are distinct; thus, the marks are not confusingly similar.

2. Strength of Mark

The strength of the mark is measured by (a) the distinctiveness on the scale of trademarks, and (b) the commercial strength or market place recognition. See Fisons, 30 F.3d at 479.

(a) Distinctiveness

The trademark scale consists of the following four classifications:

(1) generic (such as “DIET CHOCOLATE FUDGESODA”); (2) descriptive (such as “SECURITY CENTER”); (3) suggestive (such as “COPPERTONE”); and (4) arbitrary or fanciful (such as “KODAK”).

A&H, 237 F.3d at 221. The distinctiveness, or conceptual strength, of the mark depends on the category into which the mark falls.

Arbitrary marks are those words, symbols, pictures, etc., which are in common linguistic use but which, when used with the goods or services in issue, neither suggest nor describe any ingredient, quality or characteristic of those goods or services.... Suggestive marks are virtually indistinguishable from arbitrary marks, but have been defined as marks which suggest a quality or ingredient of goods.... A mark is considered descriptive if it describes the intended purpose, function, or use of the goods; of the size of the goods, of the class of users of the goods, or of the end effect upon the user.

Checkpoint, 269 F.3d at 282 (quoting Ford Motor Co. v. Summit Motor Prods., 930 F.2d 277, 292 (3d Cir. 1991)). Arbitrary and suggestive marks, as well as descriptive marks that have a demonstrated secondary meaning, are considered distinct and entitled to trademark protection; marks that are generic or descriptive without a secondary meaning are not. Id. at 282-83. The Futura mark, as above noted, suggests a futuristic quality of the tire. As stated above, marks that suggest a quality or ingredient of goods are suggestive marks. As such, the Futura mark falls within the suggestive category in the trademark scale of distinctiveness. Thus, I find that Futura is a distinctive, or conceptually strong, mark.

(b) Commercial Strength

Indications of commercial strength include the level of public recognition of the mark and the amount of money spent on advertisement and promotion. See A&H, 237 F.3d at 224. The measure of commercial strength may also take into account the limitations of the mark's recognizability to a specific industry or product market. Checkpoint, 269 F.3d at 284 (approving district court's distinction between physical article security field in which mark had high recognition, from network access security market where mark was weak). Plaintiff has set forth little evidence on the level of public recognition of Futura, nor on the size of the broader

tire market nor their position therein. Moreover, the fact that Pep Boys does not manufacture their tires nor sell tires exclusively, blunts their argument of commercial strength. Upon the current record, I find that it does not appear as though an image of Futura is conjured when contemplating the tire industry. Nevertheless, Pep Boys advertises the Futura mark in all of the forms of advertisements that Pep Boys utilize. (Joint Exh. 1 at ¶15; PX7 (internet); PX11 (videotape of television ads); PX12 (newspaper ads); PX13 (catalogs); PX14 (direct print pieces); and PX15 (color newspaper inserts)). Approximately 80% of plaintiffs' advertisement in fiscal years 1999 through 2001, roughly \$40 million of their advertisement budget, features or mentions, albeit sometimes only briefly, the Futura mark along with a broad line of automotive aftermarket products. (Feb. 21, 2002 Hearing Tr. at 128-130:10-132:2 (Meiers)). During the past five years, Pep Boys has sold more than 24 million Futura tires for \$1.1 billion. (Id. at 111:5-113:23; PX18.) The Court infers from the level of sales that there is presumptively a certain level of public recognition of the Futura brand tire. Accordingly, I find that the Futura mark has sufficient commercial strength and distinction to warrant trademark protection.

Nevertheless, the application of the "commercial strength" sub-factor of the "strength of the mark" Lapp factor is shifted when analyzing a reverse confusion claim. See A&H, 237 F.3d at 230-31. In a reverse confusion claim, a plaintiff with a commercially weak mark is more likely to prevail than a plaintiff with a stronger mark, and this is particularly true when the plaintiff's weaker mark is pitted against a defendant with a far stronger mark. Id. Thus, in a reverse confusion claim, the commercial strength factor is measured by "(1) the commercial strength of the junior user as compared to the senior user; and (2) any advertising or marketing campaign by the junior user that has resulted in a saturation in the public awareness of the junior

user's mark.” Id. It has been stipulated that Goodyear is a world leader in tire manufacturing. (Joint Exh. 1 at ¶25.) For the fiscal year ending December 31, 2000, the North American tire division alone of Goodyear sold nearly 116 million tires and accounted for sales revenues of \$7.1 billion. I find that Goodyear as a manufacturer and tire vendor is commercially stronger than Pep Boys as a vendor of private label tires. With regard to the advertisement consideration, the parties have submitted evidence on Goodyear's plan to promote the Fortera tire, including print ads to be run in a dozen national magazines, television ads, point-of-sale/in-store materials, a Fortera section in the Goodyear website; direct mailings and radio ads. (Joint Exh. 1 at ¶¶74-80.) Nevertheless, there has been no showing that this marketing plan has or will result in a “saturation in the public awareness” of the Fortera mark. Thus, I conclude that this factor does not weigh heavily in plaintiffs' favor for their reverse confusion claim.

3. Care and Sophistication of the Consumers

Courts have generally found that there is less likelihood of confusion when consumers of the relevant product exercise “heightened care in evaluating” the items prior to their purchase. Checkpoint, 269 F.3d at 284. When the purchaser is a professional or commercial buyer, courts will presume that the consumer is exercising a higher standard of care. Id. at 284-85. Approximately 90% of Pep Boys' tires are sold through retail stores, while 10% are sold to commercial accounts through plaintiffs' auto parts delivery service or to commercial vehicle fleets. (Joint Exh. 1 at ¶4.) Goodyear sells replacement tires to retailers and vehicle owners, but also sells tires for original equipment use to passenger motor vehicle manufacturers (“OEMs”) like General Motors. (Id. at ¶28; Feb. 22, 2002 Hearing Tr. at 63 (Steele)). Although the Court considers clients with commercial accounts or OEMs to be professional or commercial buyers, it

appears as though the majority of consumers for the parties' tires are from the ordinary consuming public. Nevertheless, Frederick Stampone, the senior vice president and chief administrative officer of Pep Boys testified at the preliminary injunction hearing that tire consumers tend to research products before purchasing, and tend to receive assistance from sales people and point-of-purchase material. (Feb. 21, 2002 Hearing Tr. at 57:18–59:5 (Stampone)). Thus, I find that the parties' commercial customers and even ordinary consumers of their tires exercise special care in their purchases.

In addition, when the products at issue are expensive, courts will presume that the consumer is exercising a higher standard of care. Checkpoint, 269 F.3d at 284–85. The current price for a Futura Adventurer is 4 for \$279 or about \$70 per tire, while the retail price of a Goodyear Forter tire in the same size is about \$125–\$135 per tire. (Feb. 22, 2002 Hearing Tr. at 11:14–20; 16:4–8 (Myers)). I find that the prices of the tires are sufficiently expensive to cause special care on the part of the consuming public in their purchase. I further find, in light of the price and the tendency for tire consumers to research prior to purchase, that the consumers of the parties' products exercise a relatively high standard of care in choosing tires.

4. Length of Time of Use of Defendant's Mark Without Evidence of Actual Confusion Arising

Evidence of a lack of actual confusion when the defendant's product has been sold for an "appreciable period of time" allows for the inference that future confusion is unlikely. Checkpoint, 269 F.3d at 291. The Forter tire has been on the market for less than four months. Goodyear is still in the process of preparing an advertisement for the Forter tire, and the advertisement for it so far has been minimal. It has been too short a period for the lack of actual confusion to be probative of likelihood of confusion. Accordingly, this factor will not be given

any consideration.

5. Intent of Defendant

Intent of the defendant in adopting the mark is “relevant to the extent that it bears on the likelihood of confusion.” A&H, 237 F.3d at 225. It is neither a prerequisite nor, by itself, without more, sufficient to prove a Lanham Act violation. See id.; Checkpoint, 269 F.3d at 286. The defendant’s intent thus is only relevant for the Lapptest if it can be shown by a “purposeful manipulation of the junior mark to resemble the senior’s.” A&H, 237 F.3d at 226.

There is considerable evidence showing that there were members of the Goodyear management who were aware of the Futura mark. Goodyear had submitted a bid in 2000 to manufacture Pep Boys’ Futura tires, and Todd Hershberger, a Goodyear official, had regular business contact with Pep Boys. (Joint Exh. 1 at ¶¶ 30-31.) Moreover, Steven Hale, the Goodyear executive in charge of the Fortera naming project, had heard of the Futura mark in 1993 when he visited a Pep Boys store in Texas. (Id. at ¶ 53.) Nevertheless, Hale hadn’t visited a Pep Boys store or learned anything more about their products since that visit. (Id.) In addition, Goodyear undertook a considerably long and expensive process to determine the Fortera name: they devoted six months to a naming project with the Interbrand Group, a branding consulting company, for an approximate cost of \$70,000.00; requested a pre-screen analysis from the Daar Fisher law firm for initial clearance; requested a “knock-out” and full availability trademark search from Thomson & Thomson; and conducted several focus groups around the country. ⁴(Id.

⁴Pep Boys have argued that the focus group results indicate that Goodyear should have been aware that the Fortera mark was confusingly similar to the Futura mark. Only one respondent in the focus groups specifically wrote “Futura” in response to the query, “Does this name remind you of any existing brand names?” (PX 27). Another member answered “Ford Fortura,” while a third answered “Frontera.” (Id.) In response to the question of what “imagery and personality [Fortera] evokes,” the following were provided by one respondent each: “60’s car,” “Ford car,” “base name—Ford,” “Ford related,” and “flow swell in the Ford family.” (Id.) At least two others responded

at ¶¶42-43, 47, 51-52, 56-60.) I do not find from the evidence that Goodyear went to such length to pick a name that was intended to be confusingly similar to a competitor's. Interbrand had been hired to help Goodyear develop a "distinctive and memorable" brand name that was "unique and [stood] out within the cluttered marketplace." (Id. at ¶43.) Inot that it is possible that defendant picked a name through the naming project and proceeded to adopt it regardless of whether the mark infringed or not; that Goodyear's counsel, Williams, did not wait until after the end of the USPTO examination phase before approving the new design molds for the Fortera tire maybe evidence of this disregard. (Id. at ¶¶62, 67-68.) Yet, carelessness is not probative for purposes of the Lapp factor test of whether defendant intended to rely upon plaintiff's goodwill by copying its mark. See A&H, 237 F.3d at 232-33. I conclude that plaintiff has failed to show by the preponderance of the evidence that Goodyear misused its knowledge of the Futura mark. Consequently, I find that defendant did not intend to confuse consumers when it adopted the Fortera mark.

6. Evidence of Actual Confusion

Evidence of actual confusion may be highly probative of the likelihood of confusion, but is not required to prove a Lanham Act violation. Checkpoint, 269 F.3d at 291. Nevertheless, evidence of "isolated" or "idiosyncratic" incidents of actual confusion need not be given much weight; "[o]wnership of a trademark does not guarantee total absence of confusion in the marketplace." A&H, 237 F.3d at 227 (quoting Scott Paper Co. v. Scott's Liquid Gold, Inc., 589

that it reminded them of "future" and "fortune." (Id.) Finally, when asked to give their preferred name and the relevant reasons, one member stated Fortera was the "tire of the future/modern," and a second stated that Fortera "sounded futuristic." (Id.) The summary report by Interbrand did not mention Futura, and although the response data sheets were eventually sent to Goodyear, there is no evidence that anyone from Goodyear reviewed them. (Feb. 21, 2002 Hearing Tr. at 173:4-13.) I do not find the focus group results to be probative of Goodyear's intent.

F.2d1225,1231(3dCir.1978)).Asnotedbefore,theForteratirehasbeenavailablefortoo shortaperiodforanylackofevidenceofactualconfusiontobeprobativeontheissueof likelihoodofconfusion.Tosupporttheirargumentoflikelihoodofconfusion,however, plaintiffshaveprofferedexperttestimonyandasurveyreportfromaqualifiedmarketresearch expertasevidenceofactualconfusionbetweenthemarksbyconsumers.Althoughsurvey evidenceisnotdirectevidenceofactualconfusion,ithasbeenacceptedtoprovidecircumstantial evidencefromwhichthecourtmayextrapolateconclusionsonthelikelihoodofconfusion. See 5 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION (“McCarthy”) §32:183.

ThePepBoysurveywasundertakenbysurveyexpertDonaldPace.(PX45.)Dr.Pace conducteda“mallintercept”surveytotesttheextent,ifany,ofconsumerconfusionattributable tothesimilarityoftheFuturaandForteramarksasusedforreplacementtires.Thesurvey consistedof409interviewsin12shoppingmallsin citiesacrossthecountry:Boston, Massachusetts;EastMeadow,NewYork;Trumbull,Connecticut;Chicago,Illinois;Duluth, Minnesota;Springfield,Missouri;Atlanta,Georgia;Dallas,Texas;Melbourne,Florida;Los Angeles,California;Phoenix,Arizona;andSeattle,Washington.Toqualifyfortheinterview, therespondentsneededtobeconsumersaged18andover,whoownanSUVorlighttruck,are involvedindecisionsonwhattirestopurchaseforit,andhadeitherpurchasedatireinthepast 12monthsorplantopurchaseoneinthenext12months.

Therespondentswerethendividedintoa“control”groupanda“test”group.Halfofthe 409respondents,the“test”group,werefirstprovidedwithastackofthreedifferentprintadsand toldtolookatthemaslongasnecessary.Ofthethreeprintads,onewasaprintoutfromthe GoodyearwebsitefortheForteratire,thesecondamagazineadforanSUV,andthethirda

magazine ad for an “automotive additive.” After a period of time, the respondents were then shown a second set of three different print ads: one for an automotive additive made by the same company as previously shown, one for an SUV made by a different company as previously shown, and the last a print out from the Pep Boys website for the Futurati re. The respondents were asked for each item as it was presented:

“Please tell me whether or not the (PRODUCT TYPE) in this ad is the same brand as, or is made by the same company as the (PRODUCT TYPE) in the ad you saw at the first part of the interview.”

If the respondent answered “no” or “don’t know/not sure,” the interviewer then asked:

“Please tell me whether or not the company that makes the (PRODUCT TYPE) in this ad is in some way affiliated with or connected with the company that makes the (PRODUCT TYPE) in the ad you saw in the first part of the interview.”

The “control” group was subjected to an almost identical process, except that they were provided with a modified ad for the Goodyear tires such that the name “Portera” was substituted for Fortera. The survey revealed that 48% of those interviewed in the “test” group responded that they thought that the Futurati re was the same brand or had been made by the same company, or that it was made by a company that was affiliated or connected with, the company that made the Fortera tires shown in the first phase. By contrast, 32% of the consumers in the “control” group responded that they thought the Futurati re was the same brand, made by the same company, or affiliated or connected with the company that made the Portera tires shown in the first phase. The Pacereport thus concluded that there was a 16% “net level of confusion” attributable to the Fortera mark.

The results and methodology of this survey were challenged by defendant’s likewise

qualified expert, Dr. Robert Sorensen, as having critical infirmities in its survey technique, validation, and methodology. I credit the testimony of Dr. Sorensen in this regard. A primary infirmity identified by Dr. Sorensen was Pace's failure to ask respondents why they answered as they did. Dr. Sorensen affirmed that this omission was a egregious error as: (a) the instructions required the interviewers to obtain one answer to a question and no more; (b) respondents were informed only once that it would be all right to say they didn't know an answer to the question; and (c) elements other than the alleged confusing similarity of the two tire names may have been the reason why some respondents answered "yes" to the questions regarding business connection or affiliation between the products. (DX51 at ¶36.) As an example of other sources of confusion, Dr. Sorensen pointed to Dr. Pace's use as stimuli in the survey of particular screen shots from the Pep Boys website and the Goodyear website which were similar in format to each other. Dr. Sorensen maintains that in his experience, many survey respondents perceive companies as connected with another because the respondents believed the advertising was similar. The print ads for the other products (the SUVs and automotive additives) used in the survey were in the style of magazine ads, a style very different from the website print-outs used as the tire ads. Dr. Sorensen argues that this could have contributed to the perception of similarity or affiliation of the tire products. (Id. at ¶24.) If I find that because the respondents were not asked the reason for their answers, there is no indication how much influence was exercised by the choice of stimuli over the respondents' perception and thus the survey data are infirmed.

While the survey provides some guidance on the likelihood of confusion, I am ultimately not swayed by the reported results. "The probative value of a consumer survey is a highly fact-

specific determination and a court may place such weight on survey evidence as it deems appropriate.” Johnson & Johnson-Merck Consumer Pharm. Co. v. Rhone-Poulenc Rorer Pharm., 19 F.3d 125, 134 (3d Cir. 1994). Although plaintiffs may have made a good-faith effort to simulate actual market conditions, Pep Boys have not pointed to any evidence on the record to show that websites are a common forum by which consumers purchase tires. It is true that courts have accepted survey findings of similar levels of confusion. See, e.g., Copy Cop v. Task Printing, 908 F.Supp. 37, 38 (D. Mass. 1995) (16.5 percent is sufficient along with the evidence as to other confusion factors to support a finding of likelihood of confusion); see also James Burrough, Ltd. v. Sign of the Bee Feater, 540 F.2d 266, 279 (7th Cir. 1976) (“we cannot agree that 15% is ‘small’”). Nevertheless, because of the infirmities in the survey findings, I reject the purported survey confusion level measured at 16% as showing there is any likelihood of confusion between the two marks.

7. Channel of Trade and Media of Advertisement

These factors relate to how likely the buyers and users of each party’s products are to encounter the goods of the other. To the extent parties overlap in their promotional means, the greater the likelihood of confusion may be. See Checkpoint, 269 F.3d at 288-89.

Pep Boys advertise its stores and products, including the Futura tire, through local and national television, radio, website, print (catalogues, newspaper inserts and direct mail) and point-of-purchase/in-store advertisements. (Joint Exh. 1 at ¶15; PX7 (internet); PX11 (video tape of television ads); PX12 (newspaper ads); PX13 (catalogs); PX14 (direct print pieces); and PX15 (color newspaper inserts)). Goodyear has promoted the Fortera tire to dealers through a promotional conference for its independent dealers as well as advertisements on XPLOR, its

intranetsitefordealers.(JointExh.1at¶73.)GoodyearhaspromotedtheForteratireto ordinaryconsumersthroughafullpageprintadtoberuninadozennationalmagazines, includingTime,Newsweek,SportsIllustratedandPeople,televisionadvertisements,point-of-sale/in-storematerial,aForteresectionintheGoodyearwebsite;Goodyearmayalsoissuedirect mailingstoconsumersduringthesecondquarterof2002andhascreatedscriptsforradio commercialsfortheForteratire.(Id.at¶¶74-80.)Themarketingchannelsfortheparties thereforeoverlap.

Nevertheless,thereismuchlessoverlapinthechannelsofsaleandactualpurchasebythe consumers.Goodyearsellsanddistributesreplacementtiressthroughmultiplechannelsof distribution,includingindependentandcompany-ownedwholesaledistributors,company-owned retailoutlets,independentdealersandfranchisetirecenters,massmerchandisers,andnational tirechains.(Id.at¶28.)GoodyearbeganshippingForteratirestodealersaroundtheendof October,2001andbegan totakeordersforForteratiresfromGoodyear-ownedretailstoresin January,2002.(Id.at¶68.)GoodyearhasalsomarketedtheForteratireasanoriginal equipmenttirestoseveralOEMsforuseintheirSUVs.(Id.at¶82.)Incontrast,PepBoys sell theFuturatireprimarilythroughitsretailstores,although10%ofPepBoys'tiresalesaretotoits commercialaccountssuchasitsautopartsdeliveryserviceortocommercialvehiclefleets. (JointExh.1at¶5.)AlthoughsomeofPepBoys'commercialaccountsareGoodyeartirestores, therehavebeenlessthan5,200salesofFuturatiressthroughGoodyeardealersoverthepastthree years.(Feb.21,2002HearingTr.at75(Stampone)).PepBoysdonotprovidetirestooriginal equipmentmanufacturers.(JointExh.1at¶6.)PepBoysstoresdonotkeepGoodyeartiresin stock,althoughtheymaypurchase tiresdirectlyfromawholesaletiredistributorifspecifically

requested by a customer. (Feb. 21, 2002 Hearing Tr. at 28 (Stampone)). In fact, although he noted that it was possible that a Goodyear dealer might purchase a Futurati tire, Mr. Stampone of Pep Boys testified that he was not aware of any circumstances in which a customer would find both Goodyear Fortera as well as Futurati tires offered for sale, side-by-side. (Id. at 76.) Thus, while there is overlap in the media of advertisement, there is far less overlap in the arenas of sale and actual purchase. Accordingly, I conclude that this factor does not weigh heavily in either party's favor.

8. Target Audience

To the extent the parties target their sales efforts to the same consumers, there is a stronger likelihood of confusion. See Checkpoint, 269 F.3d at 289. Goodyear conceives of and promotes Fortera tires as a “premium” or “luxury” brand. (Joint Exh. 1 at ¶39.) When conducting focus groups in choosing the Fortera name, Goodyear set the following demographic profile as similar to the “target” customer for the Fortera tire: age 25-55; college educated; with an annual income of \$40,000 or more; and who owns or wants to own an SUV. (Id. at ¶52.) In contrast, Pep Boys’ primary target for television and radio advertisement purposes is males 25 to 54, a much larger sub-set of the consuming public; further, Pep Boys’ customers are not confined to any particular sex, age, income level, or any other demographic category. (Feb. 21, 2002 Hearing Tr. at 23 (Stampone)). Pep Boys promote the value and low cost of Futurati tires in their advertisements. (Feb. 21, 2002 Hearing Tr. at 98 (Stampone)). As Goodyear has pointed out, the Fortera tires range in retail price from \$166.20 to \$230.50 per tire, as printed in Goodyear’s Auto and Light Truck Base Price List for January 2002, while prices for the Futurati tires intended for SUV highway use range from \$50 and upwards. (DX55; PX7.) If I find that Goodyear is

targeting a higher-end niche market of luxury SUV owners and that Pep Boys Futura tires are sold not only to consumers of all income levels, but also to owners of many different motor vehicles other than SUVs. Thus, I find that the “target” audience of the Goodyear Fortera mark is much more narrowly defined than Pep Boys’, but the Goodyear target audience is subsumed within the larger mass audience to which Pep Boys advertise. Moreover, the Court observes that while Goodyear may “target” for marketing purposes the more affluent portion of the purchasing public, this does not mean that the reach of the advertising is limited to that target. I conclude then that the pool of potential purchasers thus are the same for both parties’ products.

9. Product Similarity

When the relevant goods are similar, the greater the likelihood that consumers will assume an affiliation or common source between the products. See Checkpoint, 269 F.3d at 287. Nevertheless, when two products served different functions and are part of distinct sectors or niche markets within a broader product category, they might be sufficiently unrelated to each other that consumer confusion is less likely. Id. at 287-88. Currently, there are sixteen lines or sub-brands sold by Pep Boys under the Futura private label, covering over eighty tire sizes; the lines are designed for many different consumer uses and requirements in a variety of cars, sport utility vehicles (“SUV”) and light trucks. (Joint Exh. 1 at ¶7.) Three lines of Futura brand tires are intended for regular highway use, and are expected to compete with Goodyear’s Fortera tire: the Futura Adventurer, the Futura Dakota, and the Futura Scrambler. (Feb. 21, 2002 Hearing Tr. at 105 (Stampone)). The Fortera tire is an SUV and crossover vehicle tire intended primarily for highway driving. (Joint Exh. 1 at ¶37.) There are sixteen sizes of Fortera tires (Id. at ¶85.) As with the target audiences, Goodyear has a specific narrowly tailored tire product that is subsumed

within the greater offering of tires of Pep Boys. Thus, I find that although Goodyear has tailored its product to an niche market, there is overlap in the range of the products.

Weighing the Lapp Factors

To summarize, the following findings favor plaintiffs: (1) the Futura mark is strong enough to merit trademark protection, (2) there is overlap in the parties' target audience, and (3) the products are similar. Nevertheless, although the parties' channels of marketing overlap, there is almost no overlap in the channels at the point of sale. Moreover, plaintiffs have not persuaded the Court with their survey results that there is a likelihood of confusion, and have not set forth enough evidence to show any intent by defendant to manipulate its mark to resemble the Futura mark. Finally, the Court finds that the marks are distinct and that the tire consumers generally exercise care in purchasing the goods at issue. I conclude that plaintiffs have failed to meet their burden of proving likelihood of confusion, either direct or reverse, between the parties' marks. Accordingly, I conclude that plaintiffs have not met their burden of proving likelihood of success on the merits for their federal trademark infringement and federal unfair competition claims.

5

⁵ Plaintiffs also sought relief pursuant to section 201-3 of Title 73 of the Pennsylvania statutes. The law against unfair competition and trade practices is enforced by the Attorney General under Section 201-4. Under Section 201-9.2, a private cause of action under the statute is available only to consumers who have purchased or leased goods or services for personal, family, or household purposes. See *Weinberg v. Sun Co.*, 565 Pa. 612, 616-18 (Pa. 2001). The statute does not provide a private cause of action for the alleged violation of the unfair competition portion of the statute. See *Granite State Ins. Co. v. Aamco Transmissions, Inc.*, 57 F.3d 316, 320 n.3 (3d Cir. 1995). Because Pep Boys bring a claim as a competitor rather than a consumer, and fail to allege that it purchased or leased defendant's tires as a result of the allegedly unfair trade practice, they have no standing to bring an action for unfair competition pursuant to Section 201-3, and they have no likelihood of success on the merits of this claim.

Standard for Dilution Claim

The Federal Trademark Dilution Act of 1995 (“FTDA”), 15 U.S.C. § 1125(c), “grants extraprotection to strong, well-recognized mark even in the absence of a likelihood of consumer confusion—the classical test for trademark infringement—if the defendant’s use diminishes or dilutes the strong identification value associated with the plaintiff’s famous mark.” Times Mirror Magazines Inc. v. Las Vegas Sports News, 212 F.3d 157, 162–63 (3d Cir. 2000), cert. denied 531 U.S. 1071, 148 L.Ed.2d 662, 121 S.Ct. 760 (2001) (citing 4 M. CARLTON, TRADEMARKS AND UNFAIR COMPETITION § 24:70 (4th ed. 1997)). Thus, the FTDA recognizes a property interest in the value of a famous trademark, and allows a senior user of a famous mark, such as Buick, Dupont or Kodak, to prevent a junior user from diluting the distinctive quality of that mark.

Plaintiffs must show that they likely will succeed in proving the following elements to establish a dilution claim: (1) plaintiff is the owner of a mark that qualifies as “famous” in light of the eight factors listed in Section 1125(c); (2) defendant’s mark is being used in commercial use in interstate commerce; (3) defendant’s use began after plaintiff’s mark became famous; and (4) defendant’s use causes dilution of plaintiff’s mark by lessening its capacity to identify and distinguish goods or services. Id.

The following are the eight non-exclusive factors that the Court may use to determine the

⁶Section 1125(c) provides, in relevant part:

The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this subsection.

15 U.S.C. § 1125(c). The wording for the anti-dilution provisions of the Pennsylvania statutes, 54 Pa.C.S. § 1124, is taken almost verbatim from the anti-dilution provision in the United States Code. Accordingly, there is no appreciable difference in the applicable standard. See Strick Corp. v. Strickland, 162 F.Supp.2d 372, 378 n.10 (E.D. Pa. 2001).

fame of the mark: (1) the degree of inherent or acquired distinctiveness of the mark; (2) the duration and extent of use of the mark in connection with the goods or services with which the mark is used; (3) the duration and extent of advertising and publicity of the mark; (4) the geographical extent of the trading area in which the mark is used; (5) the channels of trade for the goods or services with which the mark is used; (6) the degree of recognition of the mark in the trading areas and channels of trade used by the mark's owner and the person against whom the injunction is sought; (7) the nature and extent of use of the same or similar marks by third parties; and (8) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register. 15 U.S.C. § 1125(c)(1). A mark may be entitled to anti-dilution protection, even if it is not famous to the general public, if it possesses a "high degree of fame in its niche market." Times Mirror, 212 F.3d at 164.

Dilution may occur by "blurring" or "tarnishing" the mark. Dilution by blurring occurs when the use of the defendant's mark results in the loss of the ability for plaintiff's mark to serve as a unique identifier of the plaintiff's product, causing the public to no longer associate the plaintiff's famous mark with its goods or services. Times Mirror, 212 F.3d at 168. The Court should consider the following factors to determine whether a mark has been blurred: (1) actual confusion and likelihood of confusion; (2) shared customers and geographic isolation; (3) the adjectival quality of the junior use; (4) the interrelated factors of duration of the junior use; (5) harm to the junior user; and (6) delay by the senior user in bringing the action. Id. (citing Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 228 (2d Cir. 1999)). For the reasons stated above, the Court concludes that plaintiffs have not shown actual or likelihood of confusion of the marks. Accordingly, I conclude that the Futura mark has not been blurred.

A mark is tarnished when it is improperly associated with an inferior or offensive product or service as a result of the junior user's mark, "presenting a danger that consumers will form unfavorable associations with the mark." Strick Corp. v. Strickland, 162 F. Supp. 2d 372, 378 n.10 (E.D. Pa. 2001) (quoting Avery Dennison Corp. v. Sumpton, 189 F.3d 868, 881 (9th Cir. 1999)). In addition to plaintiffs' failure to show a likelihood of confusion between the marks, plaintiffs have not attempted to show that the Forter tire is an inferior product. Indeed, plaintiffs concede that Goodyear is perceived as one of the producers of the best quality tires in the industry. (Joint Exh. 1 at ¶20.) Mr. Stampone testified that the Futura brand was subject to dilution because Pep Boys feared Goodyear might suffer a fall from grace in a manner similar to the recent Firestone-Bridgestone tire recall. Nevertheless, plaintiffs have set forth no objective evidence to support the wholly subjective likelihood of such an event. (Feb. 21, 2002 Hearing at 63 (Stampone)). Mr. Stampone's fear has no probative value to the Court. It therefore concludes that plaintiffs have not shown tarnishing of the Futura mark.

In light of the reasons set forth above, I find that plaintiffs have failed to show that defendant's use of the Forter mark would lessen the capacity of plaintiffs' mark to identify and distinguish the Futura tires. Thus, I conclude that plaintiffs have not met their burden of proving likelihood of success on their dilution claim.

Conclusion

For the foregoing reasons, I conclude that plaintiffs have not met their burden of proof on the issue of the likelihood of success on the merits. Accordingly, the motion for preliminary injunction will be denied.

An appropriate Order follows.

**INTHEUNITEDSTATESDISTRICTCOURT
FORTHEEASTERNDISTRICTOFPENNSYLVANIA**

THEPEPBOYSMANNY,MOE&JACK	:	CIVILACTION
OF CALIFORNIA and THEPEPBOYS	:	
MANNY,MOE&JACK	:	
	:	
Plaintiffs,	:	
	:	
v.	:	
	:	
THEGOODYEARTIRE&RUBBER	:	
COMPANY,	:	
	:	
Defendants.	:	NO.01-CV-5614

ORDER

ANDNOW, this5thdayofApril,2002,uponconsiderationofthemotionsofplaintiffs
forapreliminaryinjunction(Doc.No.2),theresponseofdefendantthereto(Doc.Nos.14,15),
aswellastheaffidavits,declarations,andexhibitssubmittedbybothparties,includingtheactual
tiresatissue,(DX14;DX78),havingheldahearingonFebruary21,22andMarch20,2002,
andforthereasonssetforthintheforegoingmemorandum, **ITISHEREBYORDERED** that
themotionofplaintiffsis **DENIED**.

LOWELLA.REED,JR.,S.J.